



# NEWS RELEASE

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## ***USDA Rural Development Announces Kansas Economic Development Funding***

***Over \$2.2 Million In Federal and Supplemental Financing to Support Rural Development***

**Topeka, KS.** – USDA Rural Development State Director Chuck Banks this afternoon congratulated three Kansas recipients selected for almost \$1.6 million in Agency funding to support economic development efforts across the State. Selection of the projects, approved under the Agency's *Rural Economic Development Loan & Grant Program*, was announced by Secretary of Agriculture Mike Johanns earlier today in Nashville, Tennessee. \$645,000 in private financing will be part of the projects.

"I applaud the local community leadership for their efforts to secure these investments, which are needed to create economic opportunities and improve the quality of life available in their community," said Johanns.

"These business development funds will support local efforts to bring added economic growth and employment opportunities to rural Kansas. This assistance underscores the commitment of the Bush Administration's ongoing efforts to support community and economic development in rural areas," commented State Director Banks.

Under the USDA Rural Development *Rural Economic Development Loan & Grant Program*, the Agency will make a zero-interest loan to a local rural utility cooperative. Upon receipt of the loan proceeds, following execution of loan documentation and meeting the conditions of the Program, the cooperative will then pass the proceeds on to a local business to finance job creation efforts.

In his afternoon remarks, Banks further stated, "USDA Rural Development will continue to work vigorously with our state's rural utility cooperatives to support local efforts in bringing new business investment to their communities. I would like to thank the rural utility cooperatives for their continued participation in this excellent program that assists rural Kansas. This program is good for our communities, it is good for the Kansas economy, and it is good for rural Kansans working to create a better life".

The Kansas projects announced today follow:

### **Heartland Rural Electric Cooperative, Inc.; Neosho County, KS**

**– \$458,000** / Rural Economic Development Loan to assist in the construction of a new manufacturing / fabrication facility. The project will provide for 8 new jobs at startup with projections for a total of 27 permanent jobs within five years.

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**Sumner-Cowley Electric Cooperative, Inc.; Cowley County, KS**

– **\$558,000** / Rural Economic Development Loan to expand an existing business, purchase additional equipment and land for the expansion. The expanded facility will allow for 8 new positions and additional seasonal help.

**Blue Valley Telecommunications, Inc.; Pottawatomie County, KS**

– **\$560,000** / Rural Economic Development Loan to assist in the purchase of real estate and construction of a new building for an existing business. Initially, 15 new jobs will be created with the potential of 50-75 employees in the future.

Over the past five years, USDA Rural Development in Kansas has been a leading state in delivering economic development assistance through the Agency's *Rural Economic Development Loan & Grant Program*. In fact, since 1998, the program has assisted at least 63 businesses, created and saved over 1395 jobs, and provided \$19,500,720 in loans and grants across rural Kansas,

USDA Rural Development's mission is to deliver programs that support increasing economic opportunity and improving the quality of life of rural residents. The Agency provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure in rural America. Last year, USDA Rural Development provided nearly \$235 million in direct funding for community and economic development projects across rural Kansas.

For additional information regarding USDA Rural Development programs, individuals may call the Agency's state headquarters at 785-271-2700 or log onto the state's Agency website at: [www.rurdev.usda.gov/ks](http://www.rurdev.usda.gov/ks).

**USDA Rural Development – *Committed to the Future of Rural Communities.***

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